

Message Text

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ACTION EB-07

INFO OCT-01 AF-10 EUR-12 ISO-00 AID-05 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

OPIC-03 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 INT-05

FEA-01 IO-13 SS-15 NSC-05 /105 W

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P 011005Z JUN 77

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC PRIORITY 3867

AMEMBASSY PARIS PRIORITY

C O N F I D E N T I A L KINSHASA 5115

PARIS FOR NETTLES AND SPENCER

E.O. 11652: GDS

TAGS: ECON, EFIN, CG

SUBJECT: ZAIRIAN STABILIZATION PROGRAM - APRIL COMPLIANCE REPORT

REF: KINSHASA 4937 (NOTAL)

1. SUMMARY: ZAIRIAN COMPLIANCE WITH THE PROVISIONS OF THE IMF
STANDBY AND THEIR OWN BUDGET TARGETS REMAINED MIXED IN APRIL.
CREDIT AND EXPENDITURES REMAINED WITHIN THE TARGET LEVELS AND
ARREARAGES DROPPED BY Z53 MILLION, HOWEVER THE MONTHLY TREASURY
DEFICIT WAS UNUSUALLY LARGE AND COPPER EXPORTS CONTINUED TO RUN
FAR BELOW PREDICTED LEVELS. END SUMMARY.

2. EMBASSY HAS RECEIVED ON A CONFIDENTIAL BASIS THE FOLLOWING
INFORMATION REGARDING ZAIRIAN COMPLIANCE WITH GOZ BUDGET TARGETS
AND THE PROVISIONS OF THE IMF STANDBY (FIGURES IN MILLIONS OF
ZAIRE):

A. NET CREDIT OF THE BANK OF ZAIRE TO THE GOZ	828.3
B. PRIVATE BANK CREDIT TO THE GOZ	82.3
C. BANKING SYSTEM CREDIT TO ENTERPRIZES AND INDIVIDUALS	441.6
D. TREASURY RECEIPTS	70.8

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E. TREASURY DISBURSEMENTS	118.3
F. GROSS FOREIGN EXCHANGE HOLDINGS OF BANK OF ZAIRE	57.3
G. FOREIGN EXCHANGE LIABILITIES OF THE GOZ (INCLUDING IMF CREDITS)	192.1
H. EXPORT RECEIPTS	N/A
I. GECAMINES GROSS EXPORT RECEIPTS	52.2
J. IMPORT PAYMENTS (FOB)	N/A

K. COPPER EXPORT VOLUME (TONS)	25,000
L. PRIVATE BANK EXPORT CREDITS, PAYABLE UPON EMBARKATION OF GOODS	226.4
M. ARREARAGES	405.7
N. GOZ FOREIGN EXCHANGE EXPENDITURES	6.9
O. TREASURY PAYMENTS ON THE PUBLIC DEBT	3.5
P. PRIVATE BANK FOREIGN EXCHANGE HOLDINGS	131.3
Q. PRIVATE BANK FOREIGN EXCHANGE LIABILITIES	82.6

EXPORT RECEIPTS FOR THE MONTH OF MARCH (ITEM H) ARE GIVEN AS
Z52,894 MILLION, WITH IMPORT PAYMENTS FOR THE SAME MONTH
RUNNING TO Z48,882.

3. ZAIRE CONTINUED TO OBSERVE THE IMF CREDIT AND SPENDING
CEILINGS, GOZ FOREIGN EXCHANGE EXPENDITURES TOTALING Z27.9
MILLION AT THE END OF APRIL WHICH IS IN LINE WITH A JUNE 30
TARGET OF Z44 MILLION. CREDIT TO THE GOZ GREW BY Z49.3 MILLION
IN APRIL, BRINGING THE TOTAL TO WITHIN Z3.4 MILLION OF THE JUNE
MAXIMUM OF Z914 MILLION. SIMILARLY PRIVATE DOMESTIC CREDIT
GREW BY Z20.5 MILLION IN APRIL BRINGING TOTAL DOMESTIC CREDIT TO
WITHIN Z6.8 MILLION OF THE JUNE CEILING.

4. THE ARREARAGE PICTURE IMPROVED SOMEWHAT IN APRIL WITH
ARREARAGES DROPPING FROM Z454.2 MILLION TO Z405.7 MILLION, BUT THIS
STILL LEAVES ARREARAGES ABOVE THEIR END OF 1976 LEVEL, WITH A
FURTHER REDUCTION OF Z100 MILLION TO TAKE PLACE OVER THE NEXT TWO
MONTHS IF THE IMF TARGET IS TO BE MET. PAYMENTS ON THE PUBLIC
DEBT CONTINUED TO LAG AT 6 PERCENT OF THE BUDGETED LEVEL.

5. COPPER EXPORTS DROPPED OFF SHARPLY IN APRIL, FALLING
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TO ONLY 25,000 TONS FOR THE MONTH AS OPPOSED TO AN AVERAGE OF
33,600 TONS FOR THE FIRST THREE MONTHS OF THE YEAR AND A PREDICTED
AVERAGE OF 37,500 TONS PER MONTH ON WHICH EXPORT EARNINGS AND
TAX RECEIPTS HAD BEEN BASED.

6. TREASURY RECEIPTS CONTINUED WELL ABOVE PREDICTIONS, BUT SO
DID THE CURRENT OPERATIONS DEFICIT, WHICH FOR APRIL REACHED Z47.5
MILLION. ACCORDING TO CENTRAL BANK GOVERNOR SAMBWA THIS INCLUDES
Z37 MILLION PAID OUT IN DECEMBER OF 1976 BUT NOT INCLUDED IN THE
YEAR END DEFICIT FIGURES. THERE IS CURRENTLY NO HARD INFORMATION
AS TO WHAT MAKES UP THE 37 MILLION, BUT THERE IS SOME SPECULATION
THAT IT REPRESENTS A PART OF THE APPROXIMATELY Z40 MILLION IN
FOREIGN EXCHANGE PAID TO THE PRIVATE BANKS IN DECEMBER BY THE
BANK OF ZAIRE, BUT THIS IS PURE SPECULATION.

7. SAMBWA SHOWED LOCAL CITIBANK HEAD ANSELL A COPY OF A LETTER
FROM THE IMF TO THE GOZ CONFIRMING THAT BASED ON THE APRIL
FIGURES THE IMF CONSIDERED ZAIRE TO STILL BE IN COMPLIANCE WITH
THE PROVISIONS OF THE STANDBY.

WALKER

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 01-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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